

WHIRLPOOL CORP /DE/

Form DEF 14A

March 02, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14 (a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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Check the appropriate box:

Preliminary Proxy Statement CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS
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No fee required.

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SEC 1913 (3-99)

PROXY STATEMENT
AND NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
2018

Tuesday, April 17, 2018 at 8:00 a.m. CDT
325 North LaSalle
Chicago, Illinois

WHIRLPOOL CORPORATION

Global Headquarters

2000 North M-63

Benton Harbor, Michigan 49022-2692

To Our Stockholders:

It is my pleasure to invite you to attend the 2018 Whirlpool Corporation annual meeting of stockholders to be held on Tuesday, April 17, 2018, at 8:00 a.m., Chicago time, at 325 North LaSalle, Chicago, Illinois.

At the meeting, stockholders will vote on the matters set forth in the formal notice of the meeting that follows on the next page. In addition, we will discuss Whirlpool's 2017 performance and the outlook for this year, and we will answer your questions.

We have included with this booklet an annual report containing important financial and other information about Whirlpool.

We are pleased to once again furnish proxy materials to our stockholders via the Internet. We believe this approach provides our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our annual meeting.

Your vote is important. We urge you to please vote your shares now whether or not you plan to attend the meeting. You may revoke your proxy at any time prior to the proxy being voted by following the procedures described in this booklet.

Your vote is important and much appreciated!

JEFF M. FETTIG

Chairman of the Board

March 2, 2018

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

The 2018 annual meeting of stockholders of WHIRLPOOL CORPORATION will be held at 325 North LaSalle, Chicago, Illinois, on Tuesday, April 17, 2018, at 8:00 a.m., Chicago time, for the following purposes:

1. to elect 14 persons to Whirlpool's Board of Directors;
2. to approve, on an advisory basis, Whirlpool's executive compensation;
3. to ratify the appointment of Ernst & Young LLP as Whirlpool's independent registered public accounting firm for 2018;
4. to approve the Whirlpool Corporation 2018 Omnibus Stock and Incentive Plan; and
5. to transact such other business as may properly come before the meeting.

A list of stockholders entitled to vote at the meeting will be available for examination by any stockholder for any purpose relevant to the meeting during ordinary business hours for at least ten days prior to April 17, 2018, at Whirlpool's Global Headquarters, 2000 North M-63, Benton Harbor, Michigan 49022-2692.

By Order of the Board of Directors
BRIDGET K. QUINN
Assistant General Counsel and Corporate Secretary
March 2, 2018

PROXY SUMMARY

This summary highlights information contained elsewhere in the proxy statement. This summary provides an overview and is not intended to contain all the information that you should consider before voting. We encourage you to read the entire proxy statement for more detailed information on each topic prior to casting your vote.

GENERAL INFORMATION

Meeting: Annual Meeting of Stockholders

Date: Tuesday, April 17, 2018

Time: 8:00 a.m., Chicago time

Location: 325 N. LaSalle, Chicago, Illinois

Record Date: February 20, 2018

Stock Symbol: WHR

Exchange: NYSE & CHX

Common Stock Outstanding as

of the record date: 70,692,481 shares

Registrar & Transfer Agent: Computershare Trust Company, N.A.

Corporate Website: www.whirlpoolcorp.com

2017 COMPANY PERFORMANCE HIGHLIGHTS *

Record revenues of
\$21.3 billion

Free cash flow of \$707 million, an improvement
compared to prior year

Returned a record \$1.1 billion in cash
to shareholders

*See page 23 for details of the Company's results for the 2017 fiscal year.

The proxy statement and annual report are available at www.proxyvote.com.

OVERVIEW OF VOTING MATTERS

Board recommendation

Item 1: Election of Directors (page: 6) FOR each nominee

You are being asked to vote on the election of 14 Directors. The Corporate Governance and Nominating Committee believes that these nominees possess the experience and qualifications to provide sound guidance and oversight to the Company's management. Directors are elected by majority vote for a term of one year.

Item 2: Advisory Vote to Approve Executive Compensation (page: 61) FOR

You are being asked to approve, on an advisory basis, the compensation of the Company's Named Executive Officers for 2017.

Item 3: Ratification of the Appointment of Ernst & Young LLP (page: 66) FOR

You are being asked to ratify the Audit Committee's appointment of Ernst & Young LLP as Whirlpool's Independent Registered Public Accounting Firm for 2018.

Item 4: Approve the 2018 Omnibus Stock and Incentive Plan (page: 67) FOR

You are being asked to approve the Whirlpool Corporation 2018 Omnibus Stock and Incentive Plan.

CORPORATE GOVERNANCE HIGHLIGHTS

For more information about the Company's corporate governance policies, please refer to the Board of Directors and Corporate Governance section beginning on page 11 of the proxy statement.

Proxy Access

Majority Voting in Director Elections

Board Refreshment (Four new independent directors in four years)

Annual Director Elections

Independent Presiding Director

Shareholder Engagement

Global Code of Ethics

DIRECTOR NOMINEES

Additional details about each of the director nominees can be found beginning on page 6.

Name	Samuel Allen	Marc Bitzer	Greg Creed	Gary DiCamillo	Diane Dietz	Gerri Elliott	Jeff Fettig	Michael Johnston	John Liu	James Loree	Harish Manwani	William Perez	Larry Spencer	Michael White
* indicates Independent Director	*		*	*	*	*		*	*	*	*	*	*	*
Age	64	53	60	67	52	61	61	70	49	59	64	70	64	66
Director since	2010	2015	2017	1997	2013	2014	1999	2003	2010	2017	2011	2009	2016	2004
Committee Membership (# of meetings in 2017)														
Audit Committee (9)				X		X		X	X	X				Chair
Human Resources Committee (4)	X		X		X			Chair			X	X		
Finance Committee			X	X		X			X			Chair	X	

(3)
CG&N
Committee Chair X X X X
(4)

ii

TENURE, EXPERIENCE, AND DIVERSITY

Our Board of Directors reflects an effective mix of business expertise, company knowledge, and diverse perspectives.

COMPENSATION

HIGHLIGHTS

The CD&A section beginning on page 23 includes the following highlights:

What we do:

- ü Pay for performance
- ü Robust executive stock ownership guidelines
- ü “Double trigger” change in control
- ü Claw-back policies for all variable pay

What we don't do:

- X Allow hedging or pledging
- X Excise tax gross ups
- X Reprice stock options
- X Grant RSUs that pay dividends/equivalents prior to vesting

OUR COMPENSATION PHILOSOPHY: PAY FOR PERFORMANCE

The Company employs a pay-for-performance philosophy which provides that compensation should be incentive-driven, a significant portion of pay should be performance-based, compensation should be linked to the drivers of long-term stockholder value, and compensation should be tied to business results and individual performance. The majority of 2017 CEO and NEO target compensation consisted of at-risk pay, as demonstrated in the table below.

2017 EXECUTIVE COMPENSATION SUMMARY

Named Executive Officer	2017 Base Salary (\$)	2017 Annual Incentive Award (\$)	2017 Long-Term Incentive Award Value(1) (\$)	2017 TOTAL DIRECT COMPENSATION (2) (\$)
Jeff M. Fettig (3)	1,480,000	971,354	10,656,184	13,107,538
Marc R. Bitzer (3)	1,091,667	591,798	4,199,954	5,883,419
James W. Peters	588,333	205,135	1,525,341	2,318,809
Joseph T. Liotine	595,000	300,155	3,809,447	4,704,602
João C. Brega	638,130	265,182	3,330,124	4,233,436
David T. Szczupak	770,833	268,766	1,257,514	2,297,113

Long-Term Incentive Award Value column includes total grant date fair value of Stock Awards and Option Awards. 1. For Messrs. Peters, Liotine, Brega, and Szczupak, this column also includes performance cash units earned during the 2015-2017 performance period.

Total Direct Compensation does not include items that are included in the "All Other Compensation" category as disclosed in the Summary Compensation Table on page 42, nor does it include changes in pension benefits. Pension 2. accruals are determined by formula and do not involve a Board or Human Resources Committee decision. Please see the Summary Compensation Table on page 42 for full details.

3. On October 1, 2017, Mr. Bitzer succeeded Mr. Fettig as Chief Executive Officer of the Company.

95%
stockholder
support for
"Say On
Pay"
resolution at
our 2017
Annual
Meeting

TABLE OF CONTENTS

<u>Proxy Summary</u>	i
<u>Information about the Annual Meeting and Voting</u>	1
Item 1- <u>Directors and Nominees for Election as Directors</u>	6
<u>Board of Directors and Corporate Governance</u>	11

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
Net income	\$ 18,492	\$ 9,250	\$ 41,341	\$ 29,430
Interest expense	19,513	19,955	79,214	75,414
Amortization of deferred financing costs	447	711	2,697	2,634
Depreciation	25,675	25,925	103,528	102,040
Distributions on perpetual preferred units	2,111	3,093	10,461	12,747
Original issuance costs on redeemed perpetual preferred units			745	
<u>Related Person Transactions</u> Income allocated to common units	809	719	2,765	2,096
Real estate depreciation from discontinued operations	209	818	2,655	3,402
Gain on sale of land	(1,370)	(419)	(2,625)	(2,590)
Impairment loss on land held for sale			1,143	
Equity in income of joint ventures	(97)	(48)	(356)	(3,200)
Gain on sale of discontinued operations	(8,368)		(8,368)	
Minority interests from discontinued operations	1,373	36	1,495	141
EBITDA	\$ 58,794	\$ 60,040	\$ 234,695	\$ 222,114